

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

(Mark One)



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 1-14310

GLASSBRIDGE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

41-1838504

*(I.R.S. Employer
Identification No.)*

**18 East 50th Street, FL7
New York, New York**

(Address of principal executive offices)

10022

(Zip Code)

(212) 220-3300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.01 per share

Preferred Stock Purchase Rights

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No



Note 3 — Income (Loss) per Common Share

The following table sets forth the computation of the weighted average basic and diluted income (loss) per share:

	Years Ended December 31,	
	2021	2020
	(In millions, except share and per share amounts)	
Numerator:		
Income (loss) from continuing operations	\$ 13.0	\$ (19.6)
Loss from discontinued operations, net of income taxes	(0.7)	(42.7)
Gain on sale and deconsolidation of discontinued business, net of income taxes	16.7	—
Net income (loss)	<u>\$ 29.0</u>	<u>\$ (62.3)</u>
Denominator:		
Weighted average number of diluted shares outstanding during the period - basic and diluted (in thousands)	<u>25.4</u>	<u>25.2</u>
Income (loss) per common share attributable to GlassBridge common shareholders — basic and diluted:		
Continuing operations	\$ 511.81	\$ (782.16)
Discontinued operations	629.92	(1,690.61)
Net income	<u>\$ 1,141.73</u>	<u>\$ (2,472.77)</u>
Anti-dilutive shares excluded from calculation	—	—

Note 4 — Discontinued Operations**The Sports Technology Platform**

On December 30, 2021, the Company completed a series of transactions for the purpose of disposing of its interest in SportBLX, as described below:

- On December 21, 2021, SportBLX sold proprietary code to S-BLX Securities, a related party, for \$225,000.
- On December 24, 2021, SportBLX repurchased \$1,500,000 of its debt from FDC, a related party, for \$126,000. FDC is controlled by George E. Hall and Joseph A. De Perio, who are beneficial owners of the Company.
- Finally, on December 30, 2021, the Company completed the disposition of its entire interest in SportBLX, selling all of its shares to FDC for \$137,038.

As a result of these transactions, the Company recorded a net gain on the sale and deconsolidation of SportBLX of \$16.7 million for the year ended December 31, 2021, the components of which are described in the table below.

	(in millions)
Sale of proprietary code to S-BLX Securities	\$ 0.2
Gain on repurchase of SportBLX debt from FDC	1.4
Sale of SportBLX to FDC	
Proceeds	0.1
Basis in SportBLX	1.3
Goodwill	(8.3)
Non-controlling interest	22.0
Net gain on the sale and deconsolidation of SportBLX	<u>16.7</u>

Results of Discontinued Operations

The operating results for the Sports Technology Platform are presented in our Consolidated Statements of Operations as discontinued operations for all periods presented and reflect revenues and expenses that are directly attributable to these businesses that were eliminated from our ongoing operations.

The key components of the results of discontinued operations were as follows:

	For the Years Ended December 31,	
	2021	2020
	(In millions)	
Net revenue	—	0.5
Operating expenses:		
Selling, general and administrative	1.1	2.2
Impairment of goodwill	—	42.3
Restructuring and other	(0.6)	(1.3)
Total operating expenses	0.5	43.2
Operating loss from discontinued operations	(0.5)	(42.7)
Other expense:		
Interest expense	(0.2)	—
Total other expense	(0.2)	—
Loss from discontinued operations, before income taxes	(0.7)	(42.7)
Gain on sale and deconsolidation of discontinued business	16.7	—
Income tax	—	—
Income (loss) from discontinued operations, net of income taxes	\$ 16.0	\$ (42.7)

For the year ended December 31, 2020, loss from discontinued operations primarily relates to the impairment of goodwill. During the fourth quarter of 2020, management engaged in a strategic and financial assessment of the Sports Technology Business. In assessing recoverability of the goodwill recorded as part of the purchase price allocation from the SportBLX acquisition, we compared the carrying amount of the goodwill with its implied fair value. To determine the estimated fair value, we used the cost approach, a valuation technique that involves determining the total asset value of a business and reducing that value by the amount of its outstanding liabilities. As a result of this assessment, we determined the carrying value of the goodwill exceeded its fair value. Consequently, we recorded an impairment charge of \$42.3 million in the Consolidated Statements of Operations for the year ended December 31, 2020.

Restructuring and other includes the net loss attributable to the noncontrolling interest of \$0.6 million for the year ended December 31, 2021 and \$1.3 million for the year ended December 31, 2020. These amounts were reclassified to discontinued operations due to the sale of the Sports Technology Platform in the period ending December 31, 2021.

The income tax benefit related to discontinued operations was \$0.0 million for the years ended December 31, 2021 and 2020, respectively. See Note 10 - *Income Taxes* for additional information.

Non-current assets of discontinued operations of \$8.4 million as of December 31, 2020, consisted primarily of goodwill. Current liabilities of discontinued operations of \$1.3 million as of December 31, 2020, included trade payables of \$0.6 million, accrued payroll of \$0.4 million and related party notes payable of \$0.2 million.

Note 5 — Supplemental Balance Sheet Information

Additional supplemental balance sheet information is provided below.

Other current assets were \$0.0 million as of December 31, 2021. Other current assets of \$1.0 million as of December 31, 2020, consisted of restricted cash of \$0.5 million and a minimum tax refund that was received in the first quarter of 2021.

Property and equipment consists of quantitative trading software purchased from GEH Capital, LLC (“GEH”), a related party. The asset is depreciated on a straight-line basis over a useful life of three years. Net property and equipment of \$1.5 million as of December 31, 2020 consists of the purchased cost of \$1.7 million less accumulated depreciation of \$0.2 million. The residual values, useful life